

BUDGET SUMMARY

| | FY 01 Original Adopted | FY 01 Current Expected | FY 02 Adopted Plan | FY 02 Adopted |
|-------------------------|------------------------------|------------------------------|--------------------------|----------------------|
| Local Sales Tax | \$ 6,664,531 | \$ 6,766,370 | \$ 6,918,090 | \$ 7,037,026 |
| Recordation Tax | 515,000 | 489,544 | 515,000 | 500,000 |
| Transient Occupancy Tax | 2,060,400 | 2,046,158 | 2,081,005 | 2,081,005 |
| Deeds of Conveyance | 200,000 | 220,000 | 200,000 | 200,000 |
| Bank Franchise Tax | 110,000 | 136,000 | 110,000 | 141,400 |
| Meals Tax | 3,224,000 | 3,455,020 | 3,352,960 | 3,593,221 |
| E-911 Emergency Tax | 573,506 | 615,000 | 712,415 | 760,000 |
| Total | \$ <u>13,347,437</u> | \$ <u>13,728,092</u> | \$ <u>13,889,470</u> | \$ <u>14,312,652</u> |

BUDGET COMMENTS

Other Local Taxes include the budget for the 1 percent **Local Sales Tax**. This tax is collected with the 3.5 percent State sales tax at the time of sale, and remitted to the County.

Transient Occupancy Room Tax revenues are those received from the tax imposed on hotel, motel room sales, and rental condominium units. Tax revenue beyond two percent is targeted toward tourism in accordance with the language of the State legislation authorizing the additional tax.

Deeds of Conveyance records revenue received from the tax imposed on conveyance of property deeds. The tax is based on the value of the property involved.

Bank Franchise Tax represents revenue received from the tax imposed on bank deposits in County bank branches, less certain allowable deductions.

The **Telephone E-911 Charge** is assessed to recover capital and maintenance expenses of the County's enhanced 911 program and is collected as part of residential and commercial telephone bills. The rate is proposed to increase from \$1.70 per month in FY 2001 to \$2.20 per month in FY 2002.

The **Recordation Taxes** are fees levied for documents recorded at the Clerk of Circuit Court's Office. Fees vary based on the type of document. The principal fee source is based on real estate transfers.

The **Meals Tax** represents a tax on food eaten on premises. The County levies a 4 cents tax on prepared food and beverages. In November of 1988, the voters of James City County approved, by referendum, the establishment of a meals tax in the County. Because of the impact on tourism in the County, it is estimated that 70 percent of the revenue is generated by nonresidents of the County.

Sales Taxes are expected to increase 4 percent over the next year and a similar increase is expected for Meal Taxes.

BUDGET COMMENTS, Continued

New retail establishments and improvements at Busch Gardens, including Ireland, are expected to enhance retail sales.

These projections of increases do not extend to room taxes, however, as State budget reductions for marketing and new hotel properties in the City of Williamsburg and York County will both work to flatten room tax proceeds.

The pace of new construction is expected to flatten, if not decline, but increases in the size and costs of new homes should keep recordation and deeds of conveyance revenues healthy.

The 50-cent proposed increase in E-911 taxes will produce an additional \$170,000 a year. That increase is budgeted, however, to begin with September phone bills and October remittances to the County.